

**Effective 5/10/2016**

**53A-1a-510.5 Charter school closure.**

- (1) If a charter school is closed for any reason, including the termination of a charter in accordance with Section 53A-1a-510 or the conversion of a charter school to a private school, the provisions of this section apply.
- (2) A decision to close a charter school is made:
  - (a) when a charter school authorizer approves a motion to terminate described in Subsection 53A-1a-510(2)(c);
  - (b) when the State Board of Education takes final action described in Subsection 53A-1a-510(2)(d)(ii); or
  - (c) when a charter school provides notice to the charter school's authorizer that the charter school is relinquishing the charter school's charter.
- (3)
  - (a) No later than 10 days after the day on which a decision to close a charter school is made, the charter school shall:
    - (i) provide notice to the following, in writing, of the decision:
      - (A) if the charter school made the decision to close, the charter school's authorizer;
      - (B) the State Charter School Board;
      - (C) if the State Board of Education did not make the decision to close, the State Board of Education;
      - (D) parents of students enrolled at the charter school;
      - (E) the charter school's creditors;
      - (F) the charter school's lease holders;
      - (G) the charter school's bond issuers;
      - (H) other entities that may have a claim to the charter school's assets;
      - (I) the school district in which the charter school is located and other charter schools located in that school district; and
      - (J) any other person that the charter school determines to be appropriate; and
    - (ii) post notice of the decision on the Utah Public Notice Website, created in Section 63F-1-701.
  - (b) The notice described in Subsection (3)(a) shall include:
    - (i) the proposed date of the charter school closure;
    - (ii) the charter school's plans to help students identify and transition into a new school; and
    - (iii) contact information for the charter school during the transition.
- (4) After a decision to close a charter school is made, the closing charter school shall:
  - (a) designate a custodian for the protection of student files and school business records;
  - (b) maintain a base of operation throughout the charter school closing, including:
    - (i) an office;
    - (ii) hours of operation;
    - (iii) operational telephone service with voice messaging stating the hours of operation; and
    - (iv) a designated individual to respond to questions or requests during the hours of operation;
  - (c) maintain insurance coverage and risk management coverage throughout the transition to closure and for a period following closure of the charter school as specified by the charter school's authorizer;
  - (d) complete a financial audit or other procedure required by board rule immediately after the decision to close is made;
  - (e) inventory all assets of the charter school; and
  - (f) list all creditors of the charter school and specifically identify secured creditors and assets that are security interests.

- (5) The closing charter school's authorizer shall oversee the closing charter school's compliance with Subsection (4).
- (6)
  - (a) A closing charter school shall return any assets remaining, after all liabilities and obligations of the closing charter school are paid or discharged, to the closing charter school's authorizer.
  - (b) The closing charter school's authorizer shall liquidate assets at fair market value or assign the assets to another public school.
- (7) The closing charter school's authorizer shall oversee liquidation of assets and payment of debt in accordance with board rule.
- (8) The closing charter school shall:
  - (a) comply with all state and federal reporting requirements; and
  - (b) submit all documentation and complete all state and federal reports required by the closing charter school's authorizer or the State Board of Education , including documents to verify the closing charter school's compliance with procedural requirements and satisfaction of all financial issues.
- (9) When the closing charter school's financial affairs are closed out and dissolution is complete, the authorizer shall ensure that a final audit of the charter school is completed.
- (10) On or before January 1, 2017, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the State Board of Education shall, after considering suggestions from charter school authorizers, make rules that:
  - (a) provide additional closure procedures for charter schools ; and
  - (b) establish a charter school closure process.

Amended by Chapter 213, 2016 General Session